

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

Bill No. 03-45

Introduced by: _____ Council President Wagner at the request of the County Executive

Legislative Day No. _____ 03-21 _____ Date: _____ August 5, 2003 _____

AN ORDINANCE approving and providing for a multi-year Installment Purchase Agreement by Harford County, Maryland to acquire development rights in up to 60 acres of agricultural land located at 4025 Tabernacle Road, Whiteford, Maryland 21160 from Kenneth K. Kesterson, Sr. and Edith L. Kesterson, or any other owner thereof for a maximum purchase price of \$3,500.00 per acre or portion thereof (excluding one acre for any existing residential dwelling); providing that the County's obligation to pay such purchase price and interest thereon shall be a full faith and credit general obligation of the County; providing for the levying of taxes for such payments; authorizing the County Executive to make modifications in such Agreement under certain circumstances; providing for and determining various matters in connection therewith.

By the Council, _____ August 5, 2003 _____

Introduced, read first time, ordered posted and public hearing scheduled

on: _____ September 9, 2003 _____

at: _____ 7:30 p.m. _____

By order: _____ *Barbara J. Ruth* _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter Deleted from existing law. Underlining indicates Language added to bill by amendment. Language Lined through indicates matter stricken out of Bill By amendment.

RECITALS

In accordance with the provisions of Section 524 of the Charter of Harford County (the "Charter"), the Annual Budget and Appropriation Ordinance of Harford County, Maryland (the "County") the Budget for fiscal year 2004, Bill No. 03-16 (the "Budget Ordinance") includes a project permitting the County to enter into installment purchase agreements to acquire development rights in agricultural lands located within the County, which Budget Ordinance was adopted by the County Council of Harford County, Maryland (the "County Council"), in accordance with the Charter.

Section 520 of the Charter provides that "any contract, lease or other obligation in excess of three thousand dollars (\$3,000) requiring the payment of funds from the appropriations of a later fiscal year shall be authorized by legislative act, and Section 524 of the Charter provides that the County may incur debt and pursuant to Bill No. 93-2 passed by the County Council on April 6, 1993, approved by the County Executive of the County on April 20, 1993, and effective on June 21, 1993, and Bill No. 01-17, passed by the County Council on August 7, 2001, approved by the County Executive on August 9, 2001, and effective on October 9, 2001 (the "Authorizing Act"), the County has been authorized and empowered to enter into installment purchase agreements to purchase easements for agricultural land preservation purposes.

The Authorizing Act provides that after review by the Harford County Agricultural Advisory Board in accordance with the County's Easement Priority Ranking System and approval by the Harford County Board of Estimates, the County Council, may approve and provide for the acquisition of the development rights in each particular parcel of agricultural land, as defined in the Authorizing Act.

Attached to this Ordinance as Exhibit A is an application to sell a development rights easement signed by the landowner where agricultural land is the subject of this Ordinance.

Attached to this Ordinance as Exhibit B are records of The Harford County Agricultural Advisory Board evaluating all applications to offer development right easements to the County, with each application ranked pursuant to the County's easement priority ranking system.

The County has now determined to enter into an Installment Purchase Agreement with Kenneth K. Kesterson, Sr. and Edith L. Kesterson, or any other person who is or becomes the owner of all or any portion of the Land (hereinafter defined) prior to execution and delivery of such Agreement, in order to acquire the development rights in approximately 60 acres, more or less, of agricultural land located at 4025 Tabernacle Road, Whiteford, Maryland 21160 within the County for an aggregate purchase price not in excess of \$210,000, plus interest thereon, the actual amount of the purchase price to be equal to the lesser of such maximum amount or \$3,500.00 times the number of acres in such land (minus one acre for any existing residential dwelling located thereon), upon the terms and conditions hereinafter set forth.

NOW, THEREFORE:

SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That

(a) Harford County, Maryland (the "County") shall enter into an Installment Purchase Agreement (the "Installment Purchase Agreement") with Kenneth K. Kesterson, Sr. and Edith L. Kesterson, or any person who is or becomes the owner of all or any portion of the Land (hereinafter defined) prior to the execution and delivery of the Installment Purchase Agreement (the "Seller") in order to acquire the development rights in approximately 60 acres of land, more or less, located at 4025 Tabernacle Road, Whiteford, Maryland 21160 within the County (the "Land"), for an aggregate purchase price not in excess of \$210,000.00 (the "Purchase Price"), plus interest thereon as hereinafter provided; provided that the actual amount of the Purchase

Price shall be equal to the lesser of such maximum amount or \$3,500.00 multiplied by the number of acres in the Land (minus one acre for any existing residential dwelling located thereon);

(b) The Installment Purchase Agreement shall be in substantially the form attached hereto as Exhibit C and made a part hereof, and in such form the Installment Purchase Agreement is hereby approved as to form and content. The Installment Purchase Agreement shall be dated as of the date of its execution and delivery by the County and the Seller (the "Closing Date");

(c) A portion of the Purchase Price, in the amount determined as hereinafter provided, shall be paid in cash on the Closing Date. The balance of the Purchase Price shall be paid to the Seller in each year thereafter to and including a date not more than twenty (20) years after the Closing Date. The dates on which each such installment is payable shall be determined by the County Executive and the Treasurer and shall be inserted in the form of the Installment Purchase Agreement attached hereto as Exhibit C;

(d) Interest on the unpaid balance of the Purchase Price shall accrue from the Closing Date and shall be payable at least annually in each year, commencing on the first of such dates to follow the Closing Date and continuing to and including a date not more than 20 years after the Closing Date at an interest rate equal to the yield on U.S. Treasury STRIPS maturing on the date next preceding the final maturity date in the Installment Purchase Agreement determined as of the business day preceding the Closing Date and rounded to the next highest 0.05% per annum. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months;

SECTION 5. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That the County Executive, the Director of Administration, the Treasurer of the County and other officials of the County are hereby authorized and empowered to do all such acts and things and to execute, acknowledge, seal and deliver such documents (including a Tax Certificate and Compliance Agreement) and certificates as the County Executive may determine to be necessary to carry out and comply with the provisions of this Ordinance subject to the limitations set forth in the Enabling Legislation and any limitations set forth in this Ordinance.

SECTION 6. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That the Treasurer of the County is hereby designated and appointed as registrar and paying agent for the Installment Purchase Agreement (the "Registrar"). The Registrar shall maintain, or cause to be maintained, books of the County for the registration and transfer of ownership of the Installment Purchase Agreement. In addition, the County may, from time to time, designate and appoint the Department of the Treasury of the County, any officer or employee of the County or one or more banks, trust companies, corporations or other financial institutions to act as a substitute or alternate registrar or paying agent for the Installment Purchase Agreement, and any such substitute or alternate shall be deemed to be the Registrar or an alternate Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any such appointment shall be made by the County Council by resolution and the exercise of such power of appointment, no matter how often, shall not be an exhaustion thereof.

SECTION 7. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That for the purpose of paying the installments of the

1 Purchase Price when due and payable and the interest on the unpaid portion of the Purchase Price
2 when due and payable, there is hereby levied, and there shall hereafter be levied in each fiscal
3 year that any portion of the Purchase Price payable under the Installment Purchase Agreement
4 remains outstanding, *ad valorem* taxes on real and tangible personal property and intangible
5 property subject to taxation by the County, without limitation of rate or amount, and, in addition,
6 upon such other intangible property as may be subject to taxation by the County within
7 limitations prescribed by law, in an amount sufficient, together with the portion of the transfer
8 tax imposed on transfers of real property in Harford County which is dedicated to agricultural
9 land preservation and other available funds, to pay any installment of the Purchase Price under
10 the Installment Purchase Agreement maturing during the succeeding year and to pay the annual
11 interest on the outstanding balance of the Purchase Price until all of the Purchase Price under the
12 Installment Purchase Agreement and such interest have been paid in full; and the full faith and
13 credit and the unlimited taxing power of the County are hereby irrevocably pledged to the
14 punctual payment of the Purchase Price under the Installment Purchase Agreement and the
15 interest on the unpaid balance of the Purchase Price as and when the same respectively become
16 due and payable.

1 SECTION 8. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
2 HARFORD COUNTY, MARYLAND, That this Ordinance shall take effect sixty (60) calendar
3 days after it becomes law.

4 EFFECTIVE:

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7 The Council Administrator of the Council does
8 hereby certify that fifteen (15) copies of this Bill are
9 immediately available for distribution to the public
10 and the press.

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15 Council Administrator
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